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INFO RUEHKK/ARAB ISRAELI COLLECTIVE
RUEHTU/AMEMBASSY TUNIS 7156
RUEHLO/AMEMBASSY LONDON 4143
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UNCLAS SECTION 01 OF 02 JERUSALEM 000998

SIPDIS

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STATE FOR NEA, NEA/IPA, NEA/PPD
WHITE HOUSE FOR PRESS OFFICE, SIT ROOM
NSC FOR ABRAMS
CMC WASHINGTON DC FOR POLAD

JERUSALEM ALSO FOR ICD
LONDON FOR HKANONA AND POL - TSOU
PARIS ALSO FOR POL
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E.O. 12958: N/A

TAGS: [PREL](#) [KMDR](#) [KPAL](#) [KWBG](#) [KPAO](#) [IS](#)

SUBJECT: JERUSALEM MEDIA REACTION (6/12): THE DIFFICULTY OF
ECONOMIC DEVELOPMENT "UNDER OCCUPATION"

Main Stories:

Events in Gaza dominate coverage in all dailies. A photo of a distraught young girl injured in an Israeli air strike on June 11 leads coverage in Al-Ayyam and Al-Hayat Al-Jadida. Al-Quds leads with a photo of an Israeli soldier leading a long-line of blindfolded Palestinians to an Israeli jail near the Gaza border. All dailies report that four Gazans were killed in the June 11 air strike. According to Al-Ayyam's lead story, Israel has decided to give truce efforts with Palestinians, "a chance" while it continues to prepare for a military campaign in Gaza should truce talks fail. Separate coverage in the dailies highlight a DPA wire story about Israeli plans to release Palestinian prisoners from the West Bank and send them to Gaza. Al-Ayyam also reports that Israeli Foreign Minister Livni stated that, "the Palestinian nation should be an unarmed state, with [international] supervision of the border crossings."

All dailies report on the June 11 meeting between Palestinian President Abbas and His Majesty King Abdullah II. According to the coverage, the two leaders highlighted the, "importance of forcing Israel to respect international agreements." Al-Quds reports that both leaders insisted that Israeli commitment to prior agreements will facilitate a just and lasting resolution to the Palestinian-Israeli conflict." Related coverage states that the King of Jordan has donated 15 million JD (\$7.5 million) to renovate mosaics at the Dome of the Rock mosque in Jerusalem.

All dailies note that the European Union has, "strong" internal voices calling for the postponement of discussion about upgrading the EU's relationship with Israel.

The dailies report that Israeli Premier Olmert has agreed to begin preparations for early primary elections of the Kadima party.

All dailies give positive coverage to the launching of a USAID project to rehabilitate the archeological site of Hisham's Palace in the West Bank city of Jericho. The dailies report that local NGO ANERA will implement the USAID project and finish it the next two months. Photos of USAID Acting Country Director David Harden with representatives of the Palestinian Authority and ANERA appear in all dailies.

BLOCK QUOTES:

1. Al-Ayyam independent daily carries an op-ed by columnist Talal Okal entitled, "We need a change in thinking" (6/12): "In the midst of current events related to the Palestinian situation and its relation to the external world and the Israeli policy of aggression, and the severe consequences of complete internal Palestinian division... many are asking about the geography of a future Palestinian state. How can [a state] be established in the shadow of this deep internal division and in the shadow of settlement activity? And in the shadow of the wall that is eating up more and more land? All of these issues raise larger questions that need review..."

Independent daily Al-Ayyam carried an op-ed by columnist Abdullah Awwad entitled, "The theory of possible economics and impossible politics" (6/12): "...We assumed that the greatest part of the Palestinians Authority's treasury or national income comes from

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donor countries in the form of assistance to the Palestinian Authority. The greatest part is drained away by the Jewish state through its occupation which paralyzes internal Palestinian economic development through checkpoints and closed roads and closed border crossings... The Europeans' theory which Palestinians are working with, gives priority to economics as the basis for any possible future political solution.... But wisdom dictates that... all efforts should first focus on ending the occupation."

WALLES